

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

For KCC Use:	
Effective Date:	
District #	
SGA? Yes No	

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1051739

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R
DPERATOR: License#	feet from N / S Line of Section
Name:	feet from E / W Line of Section
ddress 1:	Is SECTION: Regular Irregular?
ddress 2:	(Note: Locate well on the Section Plat on reverse side)
State:	County:
Contact Person:	Lease Name: Well #:
hone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
lame:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MS
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate: I II
	Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any):
Operator:	Projected Total Depth:
Well Name: Original Total Depth:	Formation at Total Depth:
Original Completion Date Original Total Deptil	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
f Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
(CC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
AFF	If Yes, proposed zone:
	IDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	IDAVIT
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The undersigned hereby affirms that the drilling, completion and eventual plu	FIDAVIT gging of this well will comply with K.S.A. 55 et. seq.
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Side Two



For KCC Use ONLY	
API # 15	

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:		Location of Well: County:	
Lease:		feet from N / S Line of Section	1
Well Number:		feet from E / W Line of Section	1
Field:		SecTwpS. R 🗌 E 🔲 W	
Number of Acres attributable to well:		Is Section: Regular or Irregular	
QTR/QTR/QTR/QTR of acreage:		is Section. Regular of Integular	
		If Section is Irregular, locate well from nearest corner boundary.	
		Section corner used: NE NW SE SW	
	PLAT	•	
Show location of the well.		e or unit boundary line. Show the predicted locations of	
	•	d by the Kansas Surface Owner Notice Act (House Bill 2032).	
2560 ft.	You may attach a separ	ate plat if desired.	
; ;	: ,	:	
		LEGEND	
	: :	LEGEND	
	: : :	: O Well Location	
		Tank Battery Location	
		Pipeline Location	
		Electric Line Location	
	: :	Lease Road Location	
	: : :	:	
,		EXAMPLE : :	
75 ft6 : : :	: : :	<u>:</u>	
	31		
: : :	: :		
			-
: : :	: :		
		SEWARD CO. 3390' FEL	

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.

NOTE: In all cases locate the spot of the proposed drilling locaton.

- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1051739

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:				
Contact Person:			Phone Number:	
Lease Name & Well No.:			Pit Location (QQQQ):	
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: Proposed If Existing, date coll Pit capacity:	Existing nstructed: (bbls)	SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty	
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits	
If the pit is lined give a brief description of the li material, thickness and installation procedure.	ner		dures for periodic maintenance and determining any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:	
feet Depth of water well	feet	measured	well owner electric log KDWR	
			the closed within 365 days of spud date.	
	KCC	OFFICE USE O	NLY	
Date Received: Permit Num	ber:	Perm	Liner Steel Pit RFAC RFAS t Date: Lease Inspection: Yes No	



Kansas Corporation Commission Oil & Gas Conservation Division

1051739

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	the lease below:
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City:	
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this
task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1
Submitted Electronically	

OPERATOR: Samuel Gary Jr & Associates, Inc 1515 Wynkoop Street, Suite 700

Denver, Colorado 80202 office: 303-831-4673; fax: 303-863-7285

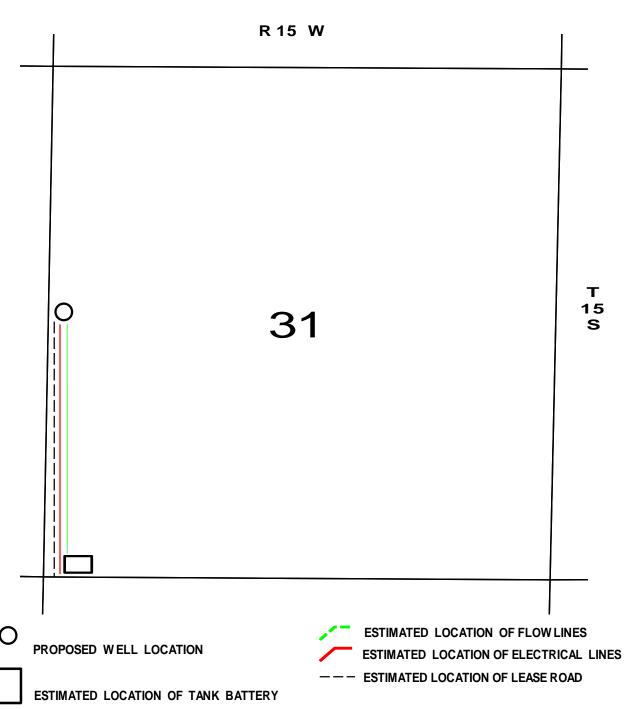
WELL NAME: Miller Et Al 1-31

LOCATION: 2560 FNL / 75 FWL Sec. 36-15S-15W RUSSELL COUNTY

SURFACE OWNER: Mark Miller

17890 Michaelis Rd Street

Russell, KS 67665



Memorandum of Lease

THIS MEMORANDUM OF LEASE ("Memorandum") is made and entered into as of November 22, 2010, by and between Mark Miller, a single person, whose address for the purposes hereof is 17890 Michaelis Road, Russell, Kansas 67665 ("Lessor"), and High Plains Energy Partners, LLC whose address for the purposes hereof is 1515 Wynkoop, Suite 700, Denver, Colorado 80202 ("Lessee").

- 1. Lease. For the term and upon the provisions set forth in that Oil and Gas Lease between Lessor and Lessee (the "Agreement"), all of which provisions are specifically made a part hereof as though fully and completely set forth herein, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain real property (the "Property") located in Russell County, State of Kansas, as more particularly described in Exhibit "A" attached hereto, together with all rights of ingress and egress and all other rights appurtenant to the Property, as more particularly described in the Agreement.
- Notice. This Memorandum is prepared for the purpose of giving notice of the Agreement and in no way modifies the express provisions of the Agreement. Lessor, hereby acknowledges and hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituents products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom the following described lands, together with any reversionary rights and after-acquired interest.

Terms. Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) year from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or this lease is otherwise maintained in effect pursuant to the provisions stated in the lease agreement.

Successors and Assigns. Lessor and Lessee intend that the covenants, conditions, and restrictions contained in the Agreement shall be both personal to Lessor and Lessee and binding on their successors and assigns. Each successive owner of the Property or of any portion thereof, and each person or entity having any interest therein derived through any owner thereof, shall be bound by such covenants, conditions and restrictions.

Counterparts. This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The work "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

IN WITNESS WHEREOF, this Memorandum of Lease has been executed as of the date first written above.

LESSEE:

LESSOR:

HIGH PLAINS ENERGY PARTNERS, LLC

Craig Ambler, Chief Operating Officer

MARK MILLER

AMENDMENT TO LEASE PROVIDING FOR POOLING-UNITIZATION

WHEREAS, the undersigned is the record mineral interest owner in an oil and gas lease dated November 22, 2010 from Mark Miller, a single person, lessor to High Plains Energy Partners LLC Lessee, a memorandum of which is recorded in book 214, page 556 Register of Deeds office Russell County Kansas covering the Northwest Quarter (NW/4) of Section Thirty-0ne (31), Township Fifteen (15) South, Range Fifteen (15) West, Russell County, Kansas, hereinafter referred to as "Miller Lease".

WHEREAS, the parties desire to enter into an amendment to said lease that provides for the unitization and pooling of said lease pursuant to the terms and conditions more particularly hereinafter set forth:

NOW, THEREFORE, in consideration of the premises, the undersigned do hereby agree as follows:

1. That the Miller lease is amended to add the following provision:

Lessee, at its option is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved

IN WITNESS WHEREOF, the undersigned have set their hands the day opposite there signatures.

Date: 3/14/20//

Mark Miller, a single person

STATE OF COUNTY OF ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this Mark Miller, a single person.

My commission expires

Notary Public

EXHIBIT "A" TO MEMORANDUM OF LEASE LEGAL DESCRIPTION OF PROPERTY

ATTACHED TO AND MADE A PART OF THAT CERTAIN MEMORANDUM OF LEASE dated November 22, 2010, by and between Mark Miller, a single person as Landowner, and High Plains Energy Partners, LLC as Lessee.

All that real property located in Russell County, Kansas, described as follows:

That certain tract or parcel of land estimated to contain approximately <u>164.00</u> acres, more or less, and being described as the Northwest Quarter (NW/4) of Section 31, Township 15 South, Range 15 West, Russell County, Kansas.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

OIL AND GAS LEASE

AGREEMENT, Made and entered in		day of		mber	2010
by and between	MARK MILLE	R, a single person			
whose mailing address is	17800 Michael	is Dood Duranti IZ.	(8/4		
whose mailing address isand	· HION Plains En	ergy Partners, LLC Street, Suite 700, Denve			
Lessor, in consideration of	Ten and Other Valuab	le Considerations	Dollers (\$ 10.00	N 5- 11	, nereinarter called Lessee
Lessor, in consideration of acknowledged and of the royalties herein prov geophysical and other means, prospecting drill air into subsurface strata, laying pipe lines, sto and transport said oil, liquid hydrocarbons, gadescribed land, together with any reversionary					
therein situated in County of	Russell	State of	Kans	as	described as follows to-wit:
SEE EXHIBIT "A In Section 31 Towns	"ATTACHED HERETO	AND MADE A PART I	HEREOF FOR PR	OPERTY DESCRI	PTION.
	thip 15 South				
Subject to the provisions herein conta hydrocarbons, gas or other respectiv provisions hereof.		or a term of One (1)	year from this date (c	alled "primary term") and a nis lease is otherwise main	as long thereafter as oil, liquitained in effect pursuant to th
In consideration of the premises the s 1st. To deliver to the credit of Lessor,					*
market price at the well, (but, as to gas sold by severance, or other excise taxes and the cost if	g casinghead gas) of whatsoever natu Lessee, in no event more than 1/8 of neurred by Lessee in delivering, treat	me or kind produced and sold, or use f the net proceeds received by Lesse ing for the removal of nitrogen, heli	ed off the premises, or use e from such sales, such ne	d in the manufacture of any	products therefrom, 1/8, at thortionate part of the production
This lease may be maintained during the leased premises or on acreage pooled or use continuously prosecuted on the leased premise days shall clapse between the completion or ab proded or unitized the completion or about	or me premises, or m me manufacture the primary term hereof without furth mitized therewith but Lessee is then as or on acreage pooled or unitized the andonment of one well and the begin	of products therefrom, said payment or payment or drilling operations. It engaged in drilling, reworking opera- erewith; and operations shall be con- ting of operations for the drilling of	ts to be made monthly. If at the expiration of the print	imary term of this lease, oil asses shall continue in force prosecuted if not more than discovery of oil or gas on the	or gas is not being produced or so long as operations are bein 1 one hundred and twenty (120
nundred and twenty (120) days from the date inall continue in full force and effect so long at the first the primary term one or more	of cessation of production or from the soil or gas is produced from the lease wells on the lease premises or load.	primary term, this lease shall not to date of completion of a dry hole. I d premises or on acreage pooled or u	erminate if Lessee commer if oil or gas shall be discov mitized therewith,	ices additional drilling or receded and produced as a rest	eworking operations within on alt of such operations, this leas
This lease may be maintained during the leased premises or on acreage pooled or upontinuously prosecuted on the leased premise days shall elapse between the completion or absoled or unitized therewith, the production is nundred and twenty (120) days from the date white the control of the co	ot being sold by Lessee, such well or it or production therefrom is not sold by anniversary date of this lease next en therefrom is not being sold by Less premises or lands pooled or untitized so may be. Lessee's failure to proper	wells shall nevertheless be deemed it y Lessee, the Lessee shall pay an ag sauing after the expiration of the said see; provided that if this lease is in it therewith, no shut-in royalty shall be you pay shut-in royalty shall be your way shut in royalty shall be the said seed to be a said t	to be producing for the purp gregate shut-in royalty of 6 I ninety (90) day period an is primary term or otherwise due until the end of the ne-	on other substances covered obse of maintaining the leas One Dollar (\$1,00) per acre d thereafter on or before ea- te being maintained by oper ext following anniversary de	d hereby, but such well or well e. If for a period of ninety (90 then covered by this lease, such the anniversary date of this leas ations, or if production is bein the of this lease that cessation of
Lessee shall have the right to use, free When requested by Lessor, Lessee sh			hereon, except water from t	he wells of Lessor.	termmate this lease.
No well shall be drilled nearer than 2	00 feet to the house or barn now on sa	id premises without written consent	of Lessor,		
Lessee shall pay for damages caused Lessee shall have the right at any time	by Lessee's operations to growing cro e to remove all machinery and fixture:	ps on said land.	the wishes I		
If the estate of either party hereto is successors or assigns, but no change in the obsassignment or a true copy thereof. In case Less of assignment.	assigned, and the privilege of assign wnership of the land or assignment c ee assigns this lease, in whole or in p	ning in whole or in part is expressly of rentals or royalties shall be bindinart, Lessee shall be relieved of all ob	ne right to draw and remove allowed, the covenants has on the Lessee until after ligations with respect to the	ve casing. ereof shall extend to their l er the Lessee has been furn e assigned portion or portion	neirs, executors, administrators ished with a written transfer of its arising subsequent to the da
Lessee may at any time execute and a	deliver to Lessor or place of record a	release or releases covering any por	tion or portions of the abov	e described premises and the	norehw engrander this lane as a
All express or implied covenants of the case held liable in damages, for failure to cand production of wells, and regulation of the prevented or delayed by such laws, rules, regulative, lockout, or other industrial disturbance, estraint or inaction, or by inability to obtain pecifically enumerated above or otherwise, we prevention or delay shall be added to the term or delayed.	his lease shall be subject to all Feder imply therewith, if compliance is pre- price or transportation of cil gas or ot alations or orders, or by inability to c act of the public enemy, war, block a satisfactory market for production	al and State Laws, Executive Orders vented by, or if such failure is the re- therest substance covered hereby. When bitain necessary permits, equipment, ade, public riot, lightening, fire, stor or failure of murhasers or exvise.	, Rules or Regulations, and sult of, any such Law, Orden drilling, reworking, produ- services, material, water, m, flood or other act of ma-	I this lease shall not be term er, Rule or Regulation, inclu- action or other operations or electricity, fuel, access or e ature, explosion, governmen	ninated, in whole or in part, no ding restrictions on the drillin obligations under this lease ar assements, or by an act of Goo tal action, governmental delay
prevention or delay shall be added to the term or delayed.	thich is not reasonably within control hereof. Lessee shall not be liable for	of Lessee, this lease shall not term breach of any provision or implied	inate because of such previous covenants of this lease who	n production, or by any offer ention or delay, and, at Les en drilling, production, or of	ner cause, whether of the kin see's option, the period of suc ther operations are so prevente
or other liens on the above described lands, in successors and assigns, hereby surrender and r which this lease is made, as recited herein.	defend the title to the lands herein de the event of default of payment by le elease all right of dower and homeste	scribed, and agrees that the Lessee s Lessor, and be subrogated to the right ad in the premises described herein,	hall have the right at any ti its of the holder thereof, a in so far as said right of do	me to redeem for Lessor, by nd the undersigned Lessors, wer and homestead may in	y payment any mortgages, taxe for themselves and their heirr any way affect the purposes fo
Lessor surress to give written notice to essor a lesse covering any or all of the sub- grees to notify I essee in writing of said offer- period of fifteen days after receipt of the notice	ollesses, if during the primary term stances covered by this lesse and cov immediately including in the notice t	of this lesse. Lessor receives a hone ering all or a postion of said land be he name and address of the offeror, t	fide offer which I essay is	willing to accept from any	party offering to purchase from
agrees to notify I essee in writing of said offer- seried of fibes day, after receipt of the notice sems and conditions openified in the effer. Al 0 parchase the lease pursuant to the terms he case for evention on behalf of I seem along a fittle according to the terms thereof. I pon a	shall have the prior and preferred ri off me made up to end including the etc. it shall so notify Lessor in writin	ght and option to purchase the lease of the primary term of this lease of the primary term of this lease of the primary term of this lease of the primary terms of the primary to expire	y part thereof or interest the	erein covered by the offer	itions of the offer. Lessee, for it the price and according to the paragraph. Should Lessee slo
of title according to the terms thereof. Upon a	with Leases's collection draft payable compt thereof, Lesses shall promptly (to control payment of the cascific	d amount as consideration a along with the endersed	Control of the Contro	eatter furnish to Lessor the ne bring subject only to approve two or through Lessor's bank
This lease may be signed in any nur notwithstanding some of the Lessors above naulthough not named above.	nber or numbers of counterparts and med who may not have joined in the a	shall be effective as to each Lesson execution hereof. The word "Lesson"	on execution hereof as to as used in this lease shall	his or her interest and sha mean the party or parties w	Il be binding on those signing
Lessee shall have the exclusive right toot, including the drilling of holes, use of tors and geophysical information. All information consent. Lessee area to see a brein agree that a wheat pasture or field, road use compaction.	to explore the land herein described ion balance, seismograph explosions, obtained by Lessee as a result of such portion of the consideration paid here to). If any extraordinary damages sh	by geological, geophysical or other magnetometer, or other geophysical a activity shall be the exclusive propers is for advance payment of usual outle could occur, at I essee's discretion, I.	methods, whether similar to geological instruments, erry of Lessee, and Lessee and customers, demages our essert or its tenant (if Lessee)	o those herein specified or tests or procedures, for the may disseminate or sell successed with seismograph or has a tenant) will be compared to the self-self-self-self-self-self-self-self-	not and whether now known of purpose of securing geologics th information without Lessor parations (i.e.: tire tracks in the
nereinabove described lease premises. Lessor elated facilities.	less and except from the terms of the further agrees that Lessee shall not be	is Oil and Gas Lease any currently liable nor shall Lessee have the obli	existing oil and/or gas we gation to plug and abandon	ll(s), bore hole(s) or other any of said existing oil and	related facilities located on the
SEE EXHIBIT "A" ATTA N WITNESS WHEREOF, the undersigned ex	CHED HERETO AND M	IADE A PART HEREOI	FOR ADDITION	IAL TERMS AND	PROVISIONS.
		MARK MILLER	Mul		
	ě	HIGH PLAIN	S ENERGY PAR	RTNERS, LLC	
		Ву:			
		((Chri	stopher Colv	7ī.n	

Mark Miller – High Plains Energy Part. 3, LLC Oil and Gas Lease NW/4 31-15-15 Russell County, Kansas

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated November 22, 2010, by and between MARK MILLER, as Lessor, and High Plains Energy Partners, LLC, as Lessee.

PROPERTY DESCRIPTION:

TOWNSHIP 15 SOUTH - RANGE 15 WEST

SECTION 31:

That certain tract or parcel of land estimated to contain <u>164.00</u> acres, more or less, and being described as the Northwest Quarter (NW/4) of Section 31, Township 15 South, Range 15 West, Russell County, Kansas.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, and reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

ADDITIONAL TERMS AND PROVISIONS:

- 1. The provisions of this EXHIBIT "A" shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
- 2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
- Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and
 restore as nearly as practical, said premises to the same conditions and contour as previously existed,
 upon termination of this lease.
- 4. <u>LEASE RENTALS/PAYMENT:</u>
 - a. FOR CLARIFICATION: Lessor, Mark Miller, represents that he owns an undivided one-half (1/2) interest of the oil, gas and minerals in and under the above described real estate. In most instances, Mark Miller, would be entitled to an undivided one-half (1/2) interest of the landowners normal one-eighth (1/8) royalty or a .0625 net revenue interest. However, Lessee's have agreed to grant to Mark Miller, as additional consideration, to induce him to sign this Oil and Gas Lease, an additional .0625 net revenue interest in and to the total net revenue interest derived from the total production from and attributable to this Oil and Gas Lease. IT is acknowledged that this additional .0625 interest granted to Mark Miller would be derived from the Lessee's working interest share of said Oil and Gas Lease, and would be similar to an Overriding Royalty Interest of .0625 interest. By reason thereof, Lessor, Mark Miller, shall be granted and receive a total .125 net revenue interest and share of all oil and gas proceeds attributable to the above described Oil and Gas Lease, free of all costs whatsoever, and not subject to any working interest or other expenses attributable to the interests conveyed to him. Lessee acknowledges that this agreement, conveyance and assignment will reduce the total net revenue interest Lessee will receive for their working interest share and to said Oil and Gas Lease.

It is the intent of Lessor and Lessee that this provision remain a part of all future conveyances pertaining to this lease.

depted
Kandas Bhrs Print
Form \$2--(Producer's Sp. 4 | n.) (PAID-UP)
63U (Rey. 1993)

OIL AND GAS LEASE

		MENT, Made and entered into this_		_day of	June		2010
Sandra	B. Leas	Revocable Trust, dated October 17	, 2008, J. Michael Leas,	Christopher	Leas and Ryan D.	Leas Successo	r Co-
Trustees	, whose	mailing address is 2914 Willow	St., Hays, KS 67601	hereinafter	called Lessor (whet	her one or mo	re),
And		High Plains Energy Partners, LLC	1515 Wynkoop, Suite 700	Denver, CO 8	30202 hereinafte	er called Lessce	

Lessor, in consideration of Ten and Other Valuable Considerations Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, maturacture, process, after and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufacture, process, and therefrom, and housing and otherwise saring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Russell State of Kansas described as follows to-wit:

The Northwest Quarter (NW/4)

of Section 31 Township 15 South Range 15 West and containing 160.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all of produced and saved from the leased premises.

2nd To play lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the pieceding paragraph.

This lease may be maintained during the primary term bereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lesser.

When requested by lossor. Lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor and/or landowner.

Lessee shall pay for damages caused by lessee's operations to growing crops and grass on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, provided the well is properly closed, structures and power lines are removed, environmental hazard or contamination is removed, and land is returned to its original condition as nearly as is reasonably possible.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the executors, administrators, successors or assigns shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor bereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessor, for themselves and their holes, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, it its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do in order properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 40 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the clumty in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this sease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether three entire included in this sease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether three entire included in this sease, whether three entire included in this sease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether three entire included in this sease. If production is found on the pooled acreage or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein

Lessee agrees not to transfer operations of this lease without Lessor's written approval, but such approval shall not be unreasonably withheld. Lessee agrees to hold Lessor harmless regarding Lessee's or Transferee's operations.

Lessor and/or landowner must be notified at least twenty-four (24) hours prior to Lessee's entry onto the property and shall control routes of ingress and ogress, including permanent lease roads.

Lessoe shall not drill a well or wells closer than 200 feet from any presently existing ponds or springs on said real estate measured from the full level line of such ponds.

Lessee shall construct a dike or other barrier around any tank battery with an emergency pit sufficient to contain any overflow or leaks.

All permanent lease roads must be approved by Lessors and no oil shall be allowed on any roads which drain into streams, ponds, or other waterways.

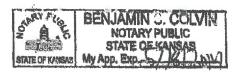
Any tank hattery shall be located where Lessors and Lessee shall mutually agree but in no event where it can drain into streams, ponds, or other waterways.

All drilling, completion and production activities shall be conducted in full compliance with all environmental rules and regulations of the Kansas Corporation Commission.

Lessee skall construct appropriate fences and other barriers around pumping unit, tank batteries, disposal wells and other property which it locates on the leased premises in order to prevent injury to livestock and shall further install appropriate gates and cattle guards where necessary.

Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$25.00 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written. Christopher Successor Co-Trustee m Ryan D. Lei Success STATE OF Kansas COUNTY OF Filis The foregoing instrument was acknowledged before me this <u>30</u> day of <u>5000</u> J. Michael Leas and Ryan D. Leas My commission expires **Notary Public** STARY PUBL BENJAMIN S. COLVIN **NOTARY PUBLIC** STATE OF THE STATE OF My App. Exp. STATE OF KANS STATE OF Kansas COUNTY OF Loller Christopher Leas My commission expires **Notary Public**



dapted Ka,aus Blue Print Form 88—(Producer's Special) (PAID-UP) 63U (Rev. 1993)

> Computer _____ Numberical _____ Misc. ____



State of Kansas. Russell County, ss
This instrument filed for record
October 11, 2010
8:15 A M. Recorded in
Book 214 Page 182-183
Register of Deeds
\$12.00

OIL AND GAS LEASE

AGREEMENT, Mac	de and entered into this	29th	day of	N.	/lay	. 2010
by	Margery F. Enke a			husband	IU)	, 2010
whose mailing address is	10220 NE Frontage R	oad, Wellin	gton, Colorado 8054		led Lessor (whether	
and	High Plains Energ	v Partner	s. LLC. 1515 Wyn	koop, Suite 700, Denver, C	O POSOS (WINCHIE	i one or more):
Lessee.			, , , , , , , , , , , , , , , , , , , ,	koop, Suite 700, Deliver, C	O 80202 ner	emanter called
here acknowledged and of exclusively unto lessee for the and producing oil, liquid here subsurface strata, laying pipesave, take care of, treat, may and other products manufactive reversionary rights and after acknowledged.	he purpose of investigating hydrocarbons, all gases, as e lines, storing oil, building nufacture, process, store tured therefrom and hour	ng, exploring and their rung tanks, po and transposing and other situated in	g by geophysical and espective constituen ower stations, telephort said oil, liquid hyperwise carring for its County of Russel	to other means, prospecting t products, injecting gas, one lines, and other structure drocarbons, gases and the employees, the following State of Kansas	ed, hereby grants, drilling, mining an water, other fluid res and things there ir respective consti	leases and lets ad operating for s, and air into eon to produce, ituent products
		The Nor	thwest Quarter (N	W/4)		
of Section 31 Town						
Subject to the provisterm"), and as long thereafter land with which said land	ions herein contained, this as oil, liquid hydrocarb	is lease shall oons, gas or	l remain in force for their respective con	a term of <u>Three (3)</u> yea stituent products, or any of	rs from this date (c'them is produced	alled "primary from said land

In consideration of the premises the said lessee covenants and agrees:

- 1st To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
- 2nd To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, Lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor and/or landowner.

Lessee shall pay for damages caused by lessee's operations to growing crops and grass on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, provided the well is properly closed, structures and power lines are removed, environmental hazard or contamination is removed, and land is returned to its original condition as nearly as is reasonably possible.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the executors, administrators, successors or assigns shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do in order properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether th^{page 2 of 2 r} wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

BOOK 214 PAGE 0182

Lessee agrees not to transfer o tions of this lease without Lessor's written roval, but such approval shall not be unreasonably withheld. Lessee agrees to hold Lessor harmless regarding Lessee's or Transferee's operations.

Lessor and/or landowner must be notified at least twenty-four (24) hours prior to Lessee's entry onto the property and shall control routes of ingress and egress, including permanent lease roads.

Lessee shall not drill a well or wells closer than 200 feet from any presently existing ponds or springs on said real estate measured from the full level line of such ponds.

Lessee shall construct a dike or other barrier around any tank battery with an emergency pit sufficient to contain any overflow or leaks.

All permanent lease roads must be approved by Lessors and no oil shall be allowed on any roads which drain into streams, ponds, or other waterways.

Any tank battery shall be located where Lessors and Lessee shall mutually agree but in no event where it can drain into streams, ponds, or other waterways.

All drilling, completion and production activities shall be conducted in full compliance with all environmental rules and regulations of the Kansas Corporation Commission.

Lessee shall construct appropriate fences and other barriers around pumping unit, tank batteries, disposal wells and other property which it locates on the leased premises in order to prevent injury to livestock and shall further install appropriate gates and cattle guards where necessary.

Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$25.00 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written. Witnesses:
LARRY E. ENKE
STATE OF COLOYOUS
COUNTY OF DENVEY
The foregoing instrument was acknowledged before me this 4th day of 1000 2010
By Margery F. Enke and Larry E. Enke
My commission expires STOL 74
Notary Public
STATE OF
My Commission Expires 05/11/2013 COUNTY OF
The foregoing instrument was acknowledged before me this day of2010
ByLarry E. Enke
My commission expires
Notary Public

OIL AND GAS LEASE

AGREEMENT, Made and entered	into this29th				e e
by Candace M. Ball, a single person	whose mailing address is	day of	June	5.	, 2010
by <u>Candace M. Ball, a single person</u> , called Lessor (whether one or more), And	High Plains Transport	306 Highway 21	Hillsboro, M	issouri 63050	hereinafter
hereinafter called Lessee.	High Plains Energy Partne	ers, LLC, 1515 W	ynkoop, Suit	e 700, Denver,	CO 80202

Lessor, in consideration of Ten and Other Valuable Considerations Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Russell State of Kansas described as follows to-wit:

The Northwest Quarter (NW/4)

of Section 31 Township 15 South Range 15 West and containing 160.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of <u>Three (3)</u> years from this date (called "primary or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

- 1st To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
- 2nd To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the produced by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per premise of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lesser, Lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor and/or landowner.

Lessee shall pay for damages caused by lessee's operations to growing crops and grass on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, provided the well is properly closed, structures and power lines are removed, environmental hazard or contamination is removed, and land is returned to its original condition as nearly as is reasonably possible.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the executors, administrators, successors or assigns shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do in order properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Lessee agrees not to transfer ations of this lease without Lessor's written a roval, but such approval shall not be unreasonably withheld. Lessee agrees to hold Lessor harmless regarding Lessee's or Transferee's operations.

Lessor and/or landowner must be notified at least twenty-four (24) hours prior to Lessee's entry onto the property and shall control routes of ingress and egress, including permanent lease roads.

Lessee shall not drill a well or wells closer than 200 feet from any presently existing ponds or springs on said real estate measured from the full level line of such ponds.

Lessee shall construct a dike or other barrier around any tank battery with an emergency pit sufficient to contain any overflow or leaks.

All permanent lease roads must be approved by Lessors and no oil shall be allowed on any roads which drain into streams, ponds, or other waterways.

Any tank battery shall be located where Lessors and Lessee shall mutually agree but in no event where it can drain into streams, ponds, or other waterways.

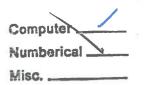
All drilling, completion and production activities shall be conducted in full compliance with all environmental rules and regulations of the Kansas Corporation Commission.

Lessee shall construct appropriate fences and other barriers around pumping unit, tank batteries, disposal wells and other property which it locates on the leased premises in order to prevent injury to livestock and shall further install appropriate gates and cattle guards where necessary.

Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$25.00 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all originally provided for a term of five (5) years.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

STATE OF MO COUNTY OF St LOW The foregoing instrument was acknowledged before me this 941 2010 Bv Candace M. Ball My commission expires _1 SUSAN RICHARDSO NOTALLY ublic Notary Public - Notary Seal STATE OF MISSOURI St. Louis County
My Commission Expires: Dec. 14, 2013
Commission # 09403705 recurded the OIL AND GAS LEASE Register of E and duly record Term for ¥ Page filed 1 WAS 8 n-clock this office return instrument When recorded, records of of Acres STATE OF This County ç





Memorandum of Lease

THIS MEMORANDUM OF LEASE ("Memorandum") is made and entered into as of August 3, 2010, by and between Dennis J. Hopkins, whose address for the purposes hereof is 4120 Marshall Road Rock Hill, SC 29730 ("Lessor"), and High Plains Energy Partners, LLC whose address for the purposes hereof is 1515 Wynkoop, Suite 700, Denver, Colorado 80202 ("Lessee").

- 1. Lease. For the term and upon the provisions set forth in that Oil and Gas Lease between Lessor and Lessee (the "Agreement"), all of which provisions are specifically made a part hereof as though fully and completely set forth herein, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain real property (the "Property") located in the Counties of Barton, Rush and Russell, State of Kansas, as more particularly described in Exhibit A attached hereto, together with all rights of ingress and egress and all other rights appurtenant to the Property, as more particularly described in the Agreement.
- Notice. This Memorandum is prepared for the purpose of giving notice of the Agreement and in no way modifies the express provisions of the Agreement. Lessor, hereby acknowledges and hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom the following described lands, together with any reversionary rights and after-acquired interest.
- 4. Successors and Assigns. Lessor and Lessee intend that the covenants, conditions, and restrictions contained in the Agreement shall be both personal to Lessor and Lessee and binding on their successors and assigns. Each successive owner of the Property or of any portion thereof, and each person or entity having any interest therein derived through any owner thereof, shall be bound by such covenants, conditions and restrictions for the benefit of the Property.
- Counterparts. This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

IN WITNESS WHEREOF, this Memorandum of Lease has been executed as of the date first written above.

LESSEE:

HIGH PLAIN ENERGY PARTNERS, LLC

By:

Craig Ambler, Chief Operating Officer

LESSOR:

0

HOPKINS

BOOK 214 PLGE 0024

State of Kansas, Russell County, ss This instrument filed for record September 3, 2010

12;45 P M. Recorded in

look 214 Dogo

Page 24-26

Register of Deeds

D-1

STATE OF North CArolina		
COUNTY OF Aleckler bug		ÿ.
The foregoing instrument was acknowledged before me this 26	th day of August	5 (1) (1) (1)
by O Dennis J. Hopki	ins	In a New
My commission expires MUU 15 167 RAKONS	Daybara W. Daylor	100
STATE OF COLOYADO	Notary Public	
M. O. PUBLIC . C		All the party of the last of t
COUNTY OF Denver		ESCI RAKO
The foregoing instrument was acknowledge discourses in this this this	5/2013 day of September	NOTAR
by Craia Ambler		PUBLIC
5	- Janet Rakowskij	OF COL
My commission expires $6/5/13$	Notary Public	My Commission Expires
= 14 + 11 + 11 +		My Commission Expires (
	the – recorde	80200
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OIL AND GAS FROM FROM TACTES COUNTY COUNTY	nty This instrument was filed for 1 of o-clockM, s book Page records of this office.	recorded, return to Samuel Gary Jr. & Associ Wynkoop St., Ste. 700, Den
OIL TO TO Section No. of Acres	County This instrument was day of o-clock in Book the records of this office.	en S
TO Date Section	STA Cou	Ву wh 151
STATE OF		

BOOK 214 PAGE 0025

EXHIBIT A TO MEMORANDUM OF LEASE LEGAL DESCRIPTION OF PROPERTY

ATTACHED TO AND MADE A PART OF THAT CERTAIN MEMORANDUM OF LEASE dated August 3, 2010, by and between Dennis J. Hopkins as Landowner, and High Plains Energy, LLC as Lessee.

All that real property located in Barton, Rush, Russell Counties, Kansas, described as follows:

That certain tract or parcel of land estimated to contain 160.00 acres, more or less, and being described as the Northeast Quarter (NE/4) of Section 6, Township 16 South, Range 15 West, Barton County, Kansas.

That certain tract or parcel of land estimated to contain <u>240.00</u> acres, more or less, and being described as the Southwest Quarter (SW/4) and the West Half of the Northwest Quarter (W/2 of the NW/4) of Section 14, Township 16 South, Range 16 West, Rush County, Kansas.

That certain tract or parcel of land estimated to contain 160.00 acres, more or less, and being described as the Northeast Quarter (NE/4) of Section 15, Township 16 South, Range 16 West, Rush County, Kansas.

That certain tract or parcel of land estimated to contain 160.00 acres, more or less, and being described as the Southeast Quarter (SW/4) of Section 31, Township 15 South, Range 15 West, Russell County, Kansas.

That certain tract or parcel of land estimated to contain 160.00 acres, more or less, and being described as the West Half of the Southwest Quarter (W/2 of the SW/4) and the Southeast Quarter of the Southwest Quarter (SE/4 of the SW/4) and the Southwest Quarter of the Southeast Quarter (SW/4 of the SE/4) of Section 32, Township 15 South, Range 15 West, Russell County, Kansas.

Total aggregate of all tracts herein described **880.00 acres**, more or less.

BOOK 214 PAGE 0026

63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered						
by and between	DENNIS J	HOPKINS				
whose mailing address is	4100 14					
whose mailing address isand	4120 Mars	hall Road, Ro	ck Hill, South	Carolina 29730	hereinafter called	Lessor (whether one or more)
and	1670 Broa	dway Suite 3	300 Danvier	RS, LLC		
Lessor in consideration of	Top and Other XI 1 1	uway, bunc b		CO 80202		,hereinafter called Lessee
Lessor, in consideration of acknowledged and of the royalties herein pexploring by geophysical and other means gas, water, other fluids, and air into subsurcare of treat, manufacture, process, store and otherwise caring for its employees, the	, prospecting drilling, mining and face strata, laying pipe lines, storing	operating for and p ag oil, building tank	oroducing oil, liquid cs, power stations, t	l hydrocarbons, all gas telephone lines, and oth	es, and their respective	r the purpose of investigating
therein situated in County of		,	y Bitto unite ditto	-acquired interest,		
SEE EXHIBIT "A"	ATTACHED HERETC	AND MADE	E A DADERT	Kansas	d	lescribed as follows to-wit:
In Section 31 Township	ATTACHED HERETO		CAPARIHI	EREOF FOR PR	OPERTY DESC	RIPTION.
accretions thereto.	ip 15 South	Range	15 West	and containing	160.00	acres, more or less, and all
Subject to the provisions herein c liquid hydrocarbons, gas or other pursuant to the provisions hereof.	ontained, this lease shall remain in respective constituent products, or	n force for a term or r any of them, is pr	of Two (2)	_years from this date land or land pooled the	(called "primary term") erewith or this lease is o	and as long thereafter as oil otherwise maintained in effect
In consideration of the premises th	e said lessee covenants and agrees	:				
1st. To deliver to the credit of Les leased premises.	soi, free or cost, in the pipe line	to which Lessee ma	ay connect wells or	n said land, the equal 1	5.625% part of all oil	produced and saved from the
2nd. To pay Lessor for gas, (included 15.625% at the market price at the well, (proportionate part of the production, sever processing, compressing, or otherwise main monthly.	ling casinghead gas) of whatsoeve but, as to gas sold by Lessee, in na ance, or other excise taxes and the king any such gas merchantable)	r nature or kind pro e event more than 1 c cost incurred by I for the gas sold, us	educed and sold, or 15.625% of the net essee in delivering sed off the premise	used off the premises, proceeds received by l , treating for the removes, or in the manufactu	or used in the manufactor Lessee from such sales, val of nitrogen, helium are of products therefrom	are of any products therefrom such net proceeds to be less a or other impurities in the gas n, said payments to be made
This lease may be maintained duri produced on the leased premises or on acre as operations are being continuously prosect than one hundred and twenty (120) days a discovery of oil or gas on the leased premi Lessee commences additional drilling or re If oil or gas shall be discovered and produce acreage pooled or unitized therewith.	ng the primary term hereof withou age pooled or unitized therewith be uted on the leased premises or on shall elapse between the completi ises or on acreage pooled or unitize working operations within one hun ced as a result of such operations,	t further payment of put Lessee is then e acreage pooled or ut on or abandonment ced therewith, the puddred and twenty (I this lease shall control of the co	r drilling operation ngaged in drilling, unitized therewith; at of one well and oroduction should co (20) days from the ntinue in full force	s. If at the expiration or reworking operations that operations shall be the beginning of operations are from any cause at date of cessation of produce of the control of t	f the primary term of the hereon, then this lease seconsidered to be contin- tions for the drilling of the the primary term, the duction or from the data ill or gas is produced for	is lease, oil or gas is not being hall continue in force so long uously prosecuted if not mor f a subsequent well. If after is lease shall not terminate i e of completion of a dry hole on the least subsequent well.
well or wells are either shut in or production of a period of ninety (90) consecutive days per acre then covered by this lease, such put thereafter on or before each anniversary dat or otherwise being maintained by operation due until the end of the next following annishall render Lessee liable for the amount du	ore wells on the lease premises or I in therefrom is not being sold by L is such well or wells are shut in or p ayment to be made to Lessor on or to of this lease while the well or we is, or if production is being sold by iversary date of this lease that cess ie, but shall not operate to terminate to the sold by the sold by the sold by the sold by the sold by the sold by the sold by the sold by the sold by the sold by the sold the sold by the sold the sold	ands pooled or unit essee, such well or production therefron r before the annive ells are shut in or produced Lessee from anothation of such opera e this lease	tized therewith are wells shall neverth m is not sold by Le reary date of this ke roduction therefrom the well on the least tions or production	capable of producing or cless be deemed to be p ssee, the Lessee shall p sase next ensuing after a is not being sold by L d premises or lands po occurs, as the case ma	il or gas or other substate producing for the purpose ay an aggregate shut-in the expiration of the sate expiration of the sate to led or unitized therewith by be. Lessee's failure to y be.	nces covered hereby, but sucle of maintaining the lease. I royalty of One Dollar (\$1.00 did ninety (90) day period and its lease is in its primary term th, no shut-in royalty shall be properly pay shut-in royalty.
for shall be paid the said lessor only in the p	proportion which lessor's interest h	entite and undividual	led ree simple estat	e therein, then the roya	lties (including any shut	-in royalties) herein provided
•,	or cope Per to and water brod	inced on said land t	or lessee's operation	n thereon, except water	from the walls of lases	
1) ******************************	day pary lessee a hibe lilles below	plow depth.			nom the wens of lesso	.
No well shall be drilled nearer than	200 feet to the house or barn now	on said premises w	ithout written cons	ent of lessor.		
Lessee shall pay for damages cause	d by lessee's operations to growin	g crops on said land	d.			
Lessee shall have the right at any ti	is assigned, and the privilege of	xtures placed on sa	id premises, includ	ing the right to draw an	d remove casing.	
If the estate of either party hereto administrators, successors or assigns, but no a written transfer or assignment or a true c portions arising subsequent to the date of as	change in the ownership of the la opy thereof. In case lessee assigns signment.	assigning in whole nd or assignment of this lease, in who	e or in part is expr f rentals or royaltie le or in part, lessed	ressly allowed, the covers shall be binding on the shall be relieved of a	renants hereof shall ext e lessee until after the le ll obligations with respo	end to their heirs, executors, essee has been furnished with ect to the assigned portion or
Lessee may at any time execute and lease as to such portion or portions and be re All express or implied covenants of	I deliver to lessor or place of recor elieved of all obligations as to the	rd a release or releas acreage surrendered	ses covering any po l.	ortion or portions of the	above described premis	es and thereby surrender this
All express or implied covenants of in part, nor lessee held liable in damages, for restrictions on the drilling and production coperations or obligations under this lease at electricity, fuel, access or easements, or by other act of nature, explosion, governmental take or transport such production, or by any terminate because of such prevention or del provision or implied covenants of this lease	or failure to comply therewith, if c of wells, and regulation of the pric re prevented or delayed by such la an act of God, strike, lockout, or l action, governmental delay, restre other cause, whether of the kind	eceral and State La compliance is preve se or transportation ws, rules, regulation other industrial dis- aint or inaction, or the specifically enume	iws, Executive Order inted by, or if such of oil, gas or other ins or orders, or by sturbance, act of the by inability to obtain	ers, Rules or Regulation failure is the result of, substance covered her inability to obtain nec e public enemy, war, b n a satisfactory market	ns, and this lease shall n any such Law, Order, I eby. When drilling, re essary permits, equipme	ot be terminated, in whole or Rule or Regulation, including working, production or other ent, services, material, water.
Lessor hereby warrants and agrees mortgages, taxes or other liens on the above themselves and their heirs, successors and homestead may in any way affect the purpos	to defend the title to the lands he described lands, in the event of d assigns, hereby surrender and reses for which this lesse is made as	rein described, and efault of payment b lease all right of d	prevented or delayer agrees that the lear by lessor, and be sur ower and homester	d. ssee shall have the rights of the premises designed in the premises designed.	nt at any time to redeen f the holder thereof, and cribed herein, in so fai	of the liable for breach of any of the undersigned lessors, for
Lessee, at its option, is bereby give immediate vicinity thereof, when in lessee's gas or other minerals in and under and that n 40 acres each in the event of an oil well, or it the county in which the land herein leased it be treated, for all purposes except the paym shall be treated as if production is had from it shall be treated as if production from a unit so p basis bears to the total acreage so pooled or it.	en the right and power to pool, un judgment it is necessary or adviss nay be produced from said premise into a unit or units not exceeding (s s situated an instrument identifying this lease, whether the well or well ooled only such portion of the roy unitized in the particular unit invol	nitize or combine the todo so in orders, such pooling or 540 acres each in the gand describing the interpretation of the pooled unit, as be located on the alty stipulated here yed.	ne acreage covered er to properly devel unitization to be of e event of a gas we e pooled or unitize as if it were include premises covered to in as the amount o	by this lease or any pop and operate said lea tracts contiguous to on ell. Lessee shall execut d acreage. The entire add in this lease of not. In lift of this lease or not. In lift is acreage placed in	ortion thereof with othe se premises so as to pro e another and to be into e in writing and record creage so pooled or unit uction is found on the p ieu of the royalties elseve the unit or his royalty in	r land, lease or leases in the mote the conservation of oil, a unit or units not exceeding in the conveyance records of ized into a tract or unit shall looled or unitized acreage, it there herein specified, lessor iterest therein on an acreage
signing, notwithstanding some of the Lesso execute this lease as Lessor, although not na	mber or numbers of counterparts a its above named who may not have med above	and shall be effective to joined in the exe	e as to each Lesson ecution hereof. Th	r on execution hereof a e word "Lessor" as us	s to his or her interest a	nd shall be binding on those
Lessee shall have the exclusive righ known or not, including the drilling of holes. of securing geological and geophysical info such information without Lessor's con- associated with seismograph operations (ie: tenant (if Lessor has a tenant) will be compe-	t to explore the land herein describ, use of torsion balance, seismogra imation. All information obtained sent. Lessor and Lessee herein a tire tracks in the wheat, pasture or nsated accordingly, or Lessee may	ed by geological, g ph explosions, mag by Lessee as a res gree that a portion field, road use, con elect to renair the	geophysical or other inetometer, or other sult of such activity t of the consideration inpaction etc.) If ar	methods, whether siming geophysical or geology shall be the exclusive on paid herein is for any extraordinary damage	ilar to those herein speci ical instruments, tests or property of Lessee, and advance payment of us es should occur, at Less	ified or not and whether now procedures, for the purpose Lessee may disseminate or ual and customary damages or's discretion. Lessor or its
		AND ATAIL	LIICKENE E	OR ADDITION	AL TERMS AN	D PROVISIONS
,	execute this instrument as of the da	y and year first abo	ove written.	1/1		
Witnesses:						
			/ rell	4/1		

EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated August 3, 2010, by and between, DENNIS J. HOPKINS, as Lessor, and HIGH PLAINS ENERGY PARTNERS, LLC, as Lessee.

PROPERTY DESCRIPTION:

TOWNSHIP 15 SOUTH - RANGE 15 WEST

SECTION 31:

That certain tract or parcel of land estimated to contain 160.00 acres, more or less, and being described as the Southwest Quarter (SW/4) of Section 31, Township 15 South, Range 15 West, Russell County, Kansas.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of non use.

ADDITIONAL TERMS AND PROVISIONS:

- 1. The provisions of this EXHIBIT "A" shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
- 2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
- 3. Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.
- 4. Lessee shall not conduct its operations during Upland Game Bird season (typically November through January) as defined by the Kansas Department of Wildlife and Parks without prior consent from Lessor, which consent shall not be unreasonable withheld.
- 5. In addition to the other provisions set forth herein, it is agreed and understood, the Lessee shall pay all damages caused by Lessee in investigating, exploring by geophysical and other means, drilling or operating for production of oil or gas upon the subject land that is enrolled in the Conservation Reserve Program including but not limited to all liquidated damages, all repayment of annual payments, all repayment of cost share for cover crop, all repayments for cost share for grass seed and planting thereof, and any and all payments of penalty or interest together with all loss of payments through the Conservation Reserve Program. These payments would be in addition to other damage provisions provided in this lease.

6. COST-FREE ROYALTY

Lessor's royalty shall be calculated free and clear of costs and expenses for exploration, drilling, development and production including, but not limited to, dehydration, storage, compression, separation by mechanical means and product stabilization incurred prior to the production leaving the leased premises or lands pooled therewith. Lessor's royalty shall bear its proportionate share of ad valorem taxes and production, severance, or other excise taxes and the actual, reasonable costs incurred by Lessee to transport, compress, process, stabilize, gather or treat the production off the leased premises or any lands pooled therewith.

 Lessee herein agrees to consult with both landowner and tenant prior to commencement of operations on said property. 63U (Rev. 1993)

OIL AND GAS LEASE

Bloc 665 Age 488

Direct THA
In Direct THA
Phymatical THA
Checked

AGREEMENT, Made and entered into the_	1st day of	August	2006				
by and between	DENNIS BOXBERGE	R, a single person					
whose mailing address is	3079 Countyline Rd., C	tis, KS 67565	hereinafter called Lessor (whether one or more),				
and	Samuel Gary Jr. & Ass	ociates, Inc					
	1670 Broadway, Suite 3	300, Denver, CO 80202	,hereinafter called Lessee:				
Lessor, in consideration of Ten and Other Valuable Considerations Dollars (\$ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest,							
therein situated in County of Ell	State of	Kansas	described as follows to-wit:				
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.							
In Section 36 Township accretions thereto.	15 South Range	16 West and containing	320.00 acres, more or less, and all				

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas, (including casinghead gas) of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith, and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar (\$1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in royalties) herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightening, fire, storm, flood or there act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling or unitization to be of tracts contiguous to one another and to be into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the county in which the land herein leased is situated an instrument identifying and describing the pooled or unitized acreage. The entire acreage so pooled or unitized into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled or unitized acreage, it shall be reated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor basis bears to the total acreage so pooled or unitized in the particular unit involved.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (ie: tire tracks in the wheat, pasture or field, road use, compaction etc.) If any extraordinary damages should occur, at Lessor's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Dennis Boxlorg
DENNIS BOXBERGER

EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated August 1, 2006, by and between, DENNIS BOXBERGER, a single person, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

PROPERTY DESCRIPTION:

TOWNSHIP 15 SOUTH - RANGE 16 WEST

SECTION 36:

That certain tract or parcel of land estimated to contain <u>320.00</u> acres, more or less, and being described as the East Half (E/2) of Section 36, Township 15 South, Range 16 West, Ellis County, Kansas.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

ADDITIONAL TERMS AND PROVISIONS:

- 1. Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.
- 2. Lessee agrees herein to bury all pipelines to a depth below ordinary plow depth, and in no case shall any such pipeline constructed herein be buried less than thirty-six (36) inches.
- 3. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$12 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.
- 4. In addition to the other provisions set forth herein, it is agreed and understood, the Lessee shall pay all damages caused by Lessee in investigating, exploring by geophysical and other means, drilling or operating for production of oil or gas upon the subject land that is enrolled in the Conservation Reserve Program including but not limited to all liquidated damages, all repayment of annual payments, all repayment of cost share for cover crop, all repayments for cost share for grass seed and planting thereof, and any and all payments of penalty or interest together with all loss of payments through the Conservation Reserve Program. These payments would be in addition to other damage provisions provided in this lease.

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



phone: 316-337-6200 fax: 316-337-6211 http://kcc.ks.gov/

Thomas E. Wright, Chairman Ward Loyd, Commissioner Corporation Commission

Sam Brownback, Governor

March 16, 2011

NEIL SHARP Samuel Gary Jr. & Associates, Inc. 1515 WYNKOOP, STE 700 DENVER, CO 80202

Re: Drilling Pit Application MILLER ET AL 1-31 NW/4 Sec.31-15S-15W Russell County, Kansas

Dear NEIL SHARP:

District staff has inspected the above referenced location and has determined that the reserve pit shall be kept away from draw/drainage, constructed <u>without slots</u>, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to **Drill**. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.